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26 MAR 1980

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MEMORANDUM FOR: Director of Communications

FROM: James H. McDonald
Director of Logistics

SUBJECT: Review of OC-Logistics System

REFERENCE: Memo dtd 20 Mar 80 to D/OC fm [REDACTED] 25X1A
same subject (OL 0 1277)

1. The subject study has now been completed, and I believe that many of the recommendations made should most certainly be given consideration. It would appear that many of these recommendations are such that the Office of Logistics is involved in their implementation. To this end, I am prepared to establish a team to work with officers to be appointed by you. I am certain that this effort will be of mutual benefit to both the Office of Logistics and the Office of Communications.

2. Please let me have your ideas on the establishment of a joint OL/OC team to plan the implementation of recommendations made in subject study.

/s/ James H. McDonald

James H. McDonald

Att

Distribution:

- Orig - Adse, w/att
- ① - OL/SD, w/att
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1A OL/SD/CD/[REDACTED] dac/4917 (20 Mar 80)

SOMETHING OF THE STUDY ITSELF (U)

In January 1979 the Director of Communications questioned whether an Office of Communications (OC) Logistics system, in existence for almost 27 years, was doing those things it was originally set up to do. This perception led to discussions with the Director of Logistics and ultimately a request to assign a qualified senior logistics officer to assist the OC in an in-depth survey of the OC logistics function as it is today. The end result was to be a study which could revalidate the current system, could contain recommendations for changes, and would highlight trouble spots. [REDACTED] was selected as 25X1A Director of Logistics representative in this effort. Later, the decision was made to not include a member of OC in the survey team, and [REDACTED] was named as the second team member. We approached the subject without any preconceived ideas and instead adopted a total immersion program exposing ourselves to every facet of communications to the maximum extent. We 25X1C personally interviewed more than 200 individuals including four Chiefs of Station and several [REDACTED]. Top OC officials made sure that we were provided whatever was needed and this paper could not have been written were it not for that entry.

HISTORY AND CURRENT STATUS (U)

When the logistics function was first set up by OC, it was designed to be a stand-alone system. To a marked degree, it still is.

It all started back in the early 1950's when OC hired some 45 logisticians. The justification was the need for a cadre of people who were knowledgeable of the admittedly unique equipments in worldwide use by the Agency's OC. This made a great deal of sense then, as most of these equipments depended on a bewildering assortment of vacuum tubes and other spare parts. In 1962, following agreement between the Directors of Communications and Logistics, the 45 OC careerists manning the OC logistics system became Office of Logistics (OL) careerists. In the main, however, they remained, in fact, a select group dedicated to the concept of a separate OC logistics system.

Since 1962, OC has seen remarkable changes take place in the equipment arena. During this time, from 1962 to present, the trend has been toward ever smaller units using less hardware type spare parts. This miniaturization resulted in the need to store complete electronics circuitry assembled in the form of circuit

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boards which can be inserted in a piece of equipment to replace a board which has failed. The failed component can normally be repaired by technicians and subsequently reused. The ever ongoing movement toward a complete family of miniaturized equipments should have resulted automatically in a logistics system, in which smaller quantities of fewer spare parts would be required. This has not necessarily been the case and today there are large volumes of older equipments and spare parts located in [REDACTED] the five area activities, and in each field station. To the extent that the Director of Communications has no way of knowing what spare parts he has and where they are, he is vulnerable, as these spare parts represent many thousands of dollars. This subject is treated more fully elsewhere in this paper.

The OC has developed an excellent management group and steps have been taken to improve the logistics system over the past several years. A good example of an improvement is the implementation of the Technical Requisition (Tech Req) Concept. Tech Req in essence is an electronically processed single line item requisition. The items covered by this system are primarily spare parts for the newer equipments which must be kept on line. Tech Req transactions are meant to be filled and shipped within one working day. Even though this impressive system is probably receptive to greater use limited only by storage space at Central Depot, it is not the answer to the problems facing OC today.

As noted previously, budgetary limitations continue to force OC to keep older equipments in the system and as long as they are in use, it will be necessary to stock the parts required to repair them. It is also necessary to keep numbers of these equipments in a reserve stock pile for worldwide utilization as determined by the Director of Communications. At present, the bulk of this type of material is stored in the five area headquarters, Central Depot (CD) [REDACTED]. In most instances, reserve stocks are not in condition A (ready to issue).

OC maintains management overview of all equipment including the reserve stocks by means of a computer-processed listing called [REDACTED] originally intended as a prime element of the annual budget-planning exercise, listed all accountable property located not only in each area, but by individual stations as well. It is a very useful document which can become an even more important management tool. This is explored in greater depth elsewhere in this study.

Throughout this same time frame, the concept of an OC logistics group has also been undergoing internal changes. To a greater extent than ever before, the idea of a log careerist dedicated solely to commo equipment has been challenged. The

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"new look" is predicated on the idea that any trained, qualified log generalist can function well in any type logistics environment no matter what actual commodities are involved. But can he? Needless to say, there are two very definite schools of thought here, and the authors of this paper expound on this more fully elsewhere.

The subject of communications, both among people and the electronic variety, has always been a matter of concern to top OC management. On the equipment side, OC is very progressive and the fact that their ongoing program of upgrading the entire system has been slowed, can be charged only to lack of funds. It is in the interpersonal communications area that there should be concern as in several critical functions, internal communication between key players is very close to nonexistent. Specifically discussed elsewhere are OC relationships with both Office of Logistics (OL) Procurement and Real Estate and Construction Divisions as well as among elements of the OC itself.

This paper is designed to present certain cogent information gleaned during several lengthy TDY trips and these data have deliberately been kept concise. Following a discussion of each subject there are several major recommendations complete with rationale and a greater number of other recommendations. Both the major and other recommendations are cross referenced to other sections of the study.

SENIOR OFFICER INTER-COMMUNICATIONS (U)

There is good reason to believe that, in some cases, the offices of Communications and Logistics do not communicate well. While the interface between Material Support Section (MSS) and Supply Division (SD) appears to be harmonious, the same cannot be said, at all times, of the OC working relationship with either Procurement Division or Real Estate & Construction Division. Some senior OC officers see the Office of Logistics as being unresponsive to what they consider to be critical, short fuse projects. On the other hand several senior OL officers stated that OC is not willing to accept the well established procedures inherent in the Agency Logistics system. There is something to be said for each of these disparate views.

RESPONSIBILITIES (C)

At first glance it appears that Agency Regulations carefully spell out the specific responsibilities of both the Director of Communications and the Director of Logistics. [REDACTED] state 25X1A among other things that the Director of Communications will:

"(a) Establish, technically control and administer the staff electronic communications system required to serve Agency headquarters and field installations."

"(b) Formulate and implement policies and programs which will make available to the Agency modern and efficient telecommunications facilities..."

With respect to the Director of Logistics [REDACTED] assign the responsibility to: 25X1A

"(a) Develop, recommend and implement logistics plans, programs, and policies in support of Agency activities."

"(c) Develop logistics data for and provide technical assistance to other components in the preparation of Agency plans, programs, and projects and in the conduct of logistics activities."

"(j) Plan, develop, and execute all Agency procurement programs for equipment, supplies and non-personal services."

"(n) Develop, establish and administer a worldwide supply system responsive to the requirements of Agency operations."

"(r) Provide technical and professional support and guidance to all Agency components in the field of design, acquisition, construction, alteration, renovation, maintenance, and disposal of real property."

The above extracts seem to be a quite complete and clear-cut set of basic authorities, yet there have been major misunderstandings between OC and OL over the years. Part of this difference of opinion may be charged against wording used in other Agency regulations. For example, [REDACTED] states that: 25X1A

"(2) The Federal Government procurement regulations cited above require that all procurements utilizing appropriated funds, whether by formal advertising or by negotiation, be made on a competitive basis to the maximum practicable extent within the limitation of statutory responsibility to protect sensitive intelligence sources and methods. Agency personnel involved in the procurement process should plan and execute their procurement responsibilities in such a way that maximum compliance with the requirements for competition will be achieved."

25X1A [REDACTED] further states:

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"(a) Unauthorized procurement activities by Agency employees, including contacts, negotiations or commitments, may subject the employee involved to personal liability and disciplinary action." Also in the [REDACTED] series, there suddenly a25X1A found some very ambiguous words, e.g., [REDACTED], which 25X1A states that the Director of Logistics is responsible for:

(1) Directing engineering, design, and construction programs and functions of the Agency (except Electronic Communication Engineering which is under the cognizance of the Office of Communications...)." *

25X1A In [REDACTED] there are other paragraphs which appear to be causing some difficulties, to wit:

"(a) Programs of design and construction requirements for a proposed project will be submitted by the activity concerned to the Director of Logistics or his authorized designee in the preliminary stages of development for analysis and approval. Requirements of the activity concerned will be specific with respect to special features function requirements, number of personnel to be provided for (immediate and future), location, special utility requirements, provision for further expansion, security, cover, project or allotment identification, and such other information necessary to develop comprehensive preliminary plans and cost estimates."

"(c) Upon arrival of the project and availability of funds, final plans and specifications, effecting of contracts, and accomplishment of construction will be implemented by the Director of Logistics or his authorized designee."

25X1A In [REDACTED] we find that:

"(a) The Director of Logistics is responsible for directing all utilities programs of the Agency in accordance with the procedures set forth herein (except for electronic communications engineering programs which are under the cognizance of the Office of Communications)." * Yet, [REDACTED] warns that: 25X1A

"(b) Using activities are responsible for:

(3) Maintaining utilities services and system in accordance with technical advice, guidance, and standards furnished by the Director of Logistics."

Each of the regulation extracts listed above is subject to different interpretation by OC and OL, primarily due to semantics. For example, the phrase "(except Electronic Communication Engineering which is under the cognizance of the Office of

* Underscoring added

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25X1A Communications)" appears in both [REDACTED]. The Office of Logistics takes this to mean such things as setting up a Communications Center. In OC eyes, the term is broader than that and they extend its meaning in some instances to actual design and construction and almost always take the stand that utilities terminating in a Communications Center are an OC responsibility. This basic difference in interpretation of terms occurs elsewhere in the controlling regulations: OC sees the word "facilities" as complete structures; OL does not. OC takes the position that the phrase "availability of funds" as used in [REDACTED] means that a senior engineer's signature is adequate proof while OL looks for an actual fund citation from an approved certifying officer, and the list goes on.

The heart of the matter as seen by an objective outsider, appears to be the reestablishment of better communications between interested officers in both OC and OL. Each of these offices has unique requirements and it is imperative that each understands the other. A lot would be accomplished if:

1. A RECD Engineer were to be assigned to the Field Engineering Branch of Foreign Network Division. This action would not only provide the D/L with the earliest possible information of planned construction but would provide a troubleshooter in any differences of opinion between OC and OL. There is a precedent for this. The SSA/DDA has functioned well over the years as the bridge between DDA and DDO elements.

2. One senior officer in OL/PD were to be designated as the central coordination point between OC and OL/PD. This officer would be expected to maintain continuous contact with those elements within OC engaged in acquisition of goods and services, this amounts to some [REDACTED] annually, and to act as an expeditor when necessary. Again, there is a precedent; this is a prime function of the contracting officer assigned to teams.

3. A committee were to be established by the Director of Logistics to review existing procedures to determine areas of mutual OC/OL concern in need of revision or modification. OC participation would be essential to this effort.

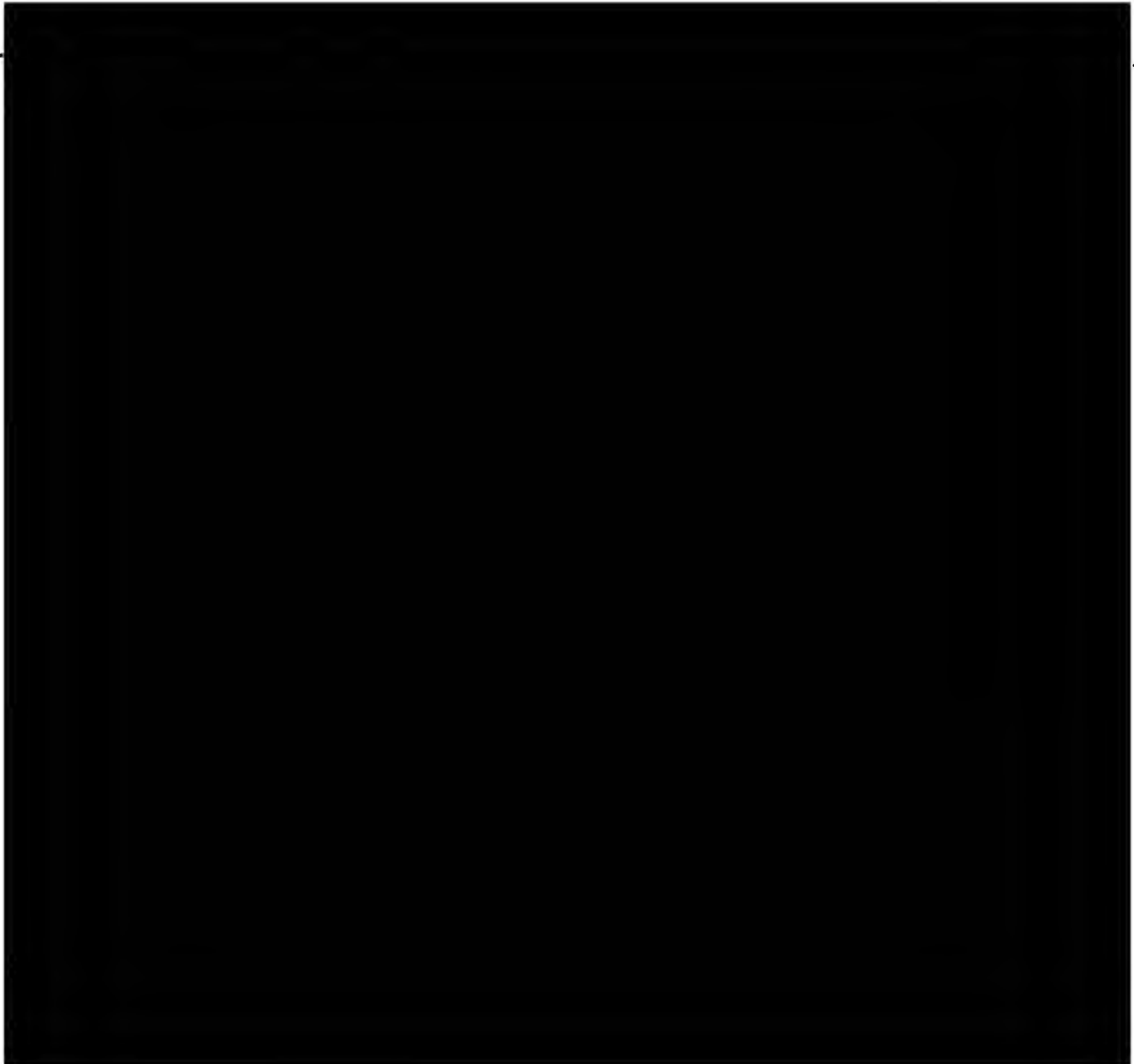
OFFICE OF COMMUNICATION STOCKS (U)

Each OC area Headquarters has large stocks of three types of items:

- a. Pipe line material (R & R)
- b. Headquarters Controlled Worldwide Reserves
- c. Spare parts (expendable)

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Several interesting facts were noted in each of the five area Headquarters. First, a fairly substantial percentage of the expendable items, and there are thousands of these, show both very little issue experience together with stock levels that are entirely too high. Secondly, there has been almost no issue experience from those equipments in the Headquarters controlled reserve stocks. Finally, the stock levels on R&R items appear to be adequate in every way. 25X1A



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TRANSPORTATION (C)

Probably the most important step in the processing of communications equipments is transportation of units to the ultimate user. There have been instances, however, where a costly equipment arrived at its destination in an unusable condition, primarily because of faulty packaging.

No standard packaging specifications exist and the areas are more or less allowed to develop whatever type of packaging they want to use. It would be fairly simple to design standard packaging for each type of equipment and the expertise of Central Depot might well be drawn upon to do so.

As in packaging, each area handles its outgoing shipping in accordance with its cover but yet in slightly different ways.

25X1A a. [REDACTED] of course, handles all of its shipments directly. This is not the case in the other areas as,

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[REDACTED]

There is essentially not enough follow up on shipments within Africa and it doesn't appear that maximum action has been taken to establish an adequate follow up procedure.

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c. [REDACTED] 25X1C

In addition, they handle any station shipments as a favor to the COS. Their commercial air shipments are also delivered directly to the airline involved. [REDACTED]

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[REDACTED]

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COMMO TECHNICIANS (C)

The Commo technician is a rare bird. Not only is he capable of diagnosing and repairing each of the hundreds of equipments in use, but he normally is at least conversant with power distribution systems and generators. This speaks well of the very fine training program established by the OC.

In all of the areas, techs assist logistics officers in the identification of material and in the establishment of realistic stock levels. This effort is invaluable. We noted though that each of the T&I shops maintained its own stocks of repair parts which in the case of [REDACTED] includes all the M28 parts in the area Headquarters. This should be a function of logistics and is, therefore, counterproductive.

In two of the areas, [REDACTED] tech visits are set on a programmed basis. The feeling in each of these two areas is that scheduled visits tend to cut down on crash repairs requiring additional TDY. Another major benefit of scheduled visits is the opportunity to check equipments in order to identify malfunctions prior to a total failure.

It is interesting to note that few staff technicians enjoy working on the M28 teletypewriter and most readily accept the idea of commercial repair wherever possible. Most techs also like the idea of a RECD air conditioning & power man assigned to each area Headquarters.

COMPUTERS (C)

The OC is utilizing many sophisticated computer systems in its day to day operations. Yet, in spite of the expertise available, the Director of Communications does not know what spare parts are available in the field. This lack of information about stocks valued at many thousands of dollars probably results in the expenditure of scarce funds for items already on hand in one of the area Headquarters. In addition, each of the areas now maintains manually posted stock cards for each of the many thousands of line items stocked. Both of these information systems could easily be handled by a small point of sale computer and we understand that several computers of this type (6016) are available. As used here, point of sale means transactions against a file which would update that file by showing, for example, an issue costed as indicated and by reducing the quantity of an item on hand to reflect the issue. This file could also show due-ins and due-outs as necessary. At first this system would be a stand-alone one, but there is no reason why it couldn't, in time, work directly with Headquarters' systems. The technology exists as each base station now has KG13s and all five area chiefs see no reason why this type of information couldn't be transmitted during slack periods, say during a 2400 to 0800 watch.

If this approach were to be implemented, it would be necessary to send teams to each area to set up the basic files and to train logistics people in the intricacies of computer input.

Even though data were to be transmitted weekly or even once a month, the Director of Communications would have an invaluable management tool to work with. A fringe benefit would also accrue to the field logistics people who could, if desirable, query the Office of Logistics stock control system and thus determine availability and costs of those items stocked at Central Depot.

THE M28 TELETYPEWRITER (C)

Together with H.F. radio, the M28 TTY composes the bread and butter of the Agency's worldwide communications networks. The H.F. receivers and transmitters don't present too many problems but the M28 teletypewriter does.

This unit has been around for many years, prints at the rate of 100 WPM and has many moving parts, some of which contain load bearing surfaces. Long range planning by OC points toward ultimate full system use of the newer M40 teletypewriter, a much faster piece of equipment with few moving parts. Because of initial cost and difficulty in obtaining the M40s, however, it is apparent that the M28, although aging, will be around for a while yet.

Repairs of the M28 units in the Agency is an ongoing requirement as parts continue to wear out and these units must be on line or there is no message.

25X1A Needless to say, the ongoing repair program is expensive both from the standpoint of the costs of parts and the numbers of manhours required for these repairs. As an example, last year OC spent almost \$250,000 for M28 spare parts while in one area, [REDACTED] the chief technician stated that more than 70 percent of his T&I shop time was devoted to repair of M28s and cryptographic equipment, but primarily to the M28. There are several ways this problem could be solved. In one area, [REDACTED] there is a full-time 25X1A contract employee dedicated to M28 repairs. As this employee travels only infrequently, this approach works well. It is entirely feasible to hire a retired American serviceman who could be provided at least a limited clearance for assignment to the other areas as well.

25X1A Another solution which might be considered is that in effect in Central Depot. This program entails the use of [REDACTED] 25X1A [REDACTED] a local contractor. The rates charged are either \$300 or \$600, depending on the scope of the repairs required.

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The above by no means limits the sites which could be considered and are presented as examples only.

TRAINING (U)

Only the best training available should be provided any Agency employee stationed overseas. This will be even more important as the numbers of available personnel decrease because of budget constraints.

In Commo activities, this theme of high grade training is even more critical than elsewhere in the Agency.

In an environment involving sensitive, complex equipment, it is absolutely imperative that these equipments be on line. During our visits, we found no instance where any failures resulted in the shut down of a ComCenter. There appears to be a consensus, however, that operators should be given more training in maintenance and repairs for those pieces of equipment utilized by them. We heard several times horror stories of techs going to a station for emergency repair when the only problem was a simple, easily rectified one. This use of critical technicians' time could be reduced through more in-depth training for operators. Of more immediate concern to this paper is the need for better preparation of logistics officers prior to an assignment to an overseas OC logistics activity. Until recently, it was traditional that most officers so assigned had some previous experience with OC activities, but this is no longer true. We are convinced that any logistics officer should be allowed to spend at least six months combined training in MSS and the T&I facility at [REDACTED] prior to assignment to an OC overseas area headquarters. This is most important as the awareness of mission and some knowledge of OC equipments is essential to successful performance in an OC field activity.

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SUPPORT BY HEADQUARTERS (U)

There is a strong belief among Agency employees assigned to the overseas areas that Headquarters doesn't in all cases provide adequate, timely support.

Negative comments came from the most senior to much lower grade officers. Included were such varied things as:

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1. Headquarters does not give enough notice of Staff Network Equipment Program (SNEP) allocations and this results in a situation where no long range planning can be done.

2. Lists of material seen as excess are submitted to Headquarters for disposition instructions and such information is not forthcoming.

3. Substitutions are made for requisitioned items and often these are not a direct substitute and therefore, are not useable.

4. Often items are cancelled and the field is not informed. In this regard there is general desire for a computer run of all shipments still in process after a preestablished period of time, perhaps after 90 days.

5. Directed shipments come in from Headquarters with no indication as to ultimate use. This type of shipment probably is for a Bill of Materials (BOM) but on occasion has been placed in stock.

6. Requests for a variety of personnel actions often are not answered and thus require follow up inquiries from the field.

We see this perceived failure to respond by Headquarters as another manifestation of the communications breakdown discussed elsewhere in this paper.

TECHNICAL REQUISITIONS (TECH REQ) (U)

The OC Tech Req procedure is an excellent one and its only limitation is the result of the relatively small number of stock items which can be included. The very idea of a requisition being processed within a 24 hour turn around time frame is exciting to any Agency logistician but one has to accept the fact that this can only be a limited system by its very nature; there are, however, some things which could be done to improve Tech Req. Primarily the only flaw we noted, if it is a flaw, was the inconsistent way in which the Tech Reqs themselves are prepared.

In one area the log officer doesn't prepare Tech Reqs but he does control the number. In another, log doesn't get involved in the process at all while in a third area both Logistics and the Chief Engineer prepare Tech Reqs.

There is a lot of merit in having the logistics officer prepare all Tech Reqs and receive material so requisitioned. It is only in this way that adequate stock control continuity can be maintained.

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PROPERTY ACCOUNTABILITY (U)

Each of the areas maintains its own accountable records together with a combined total of 162 individual Consolidated Memorandum Receipts (CMR). All of this activity now hinges on data found on manually posted stock cards although two of the areas do use the [REDACTED] on the basic accountable document.

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Elsewhere in this study are some thoughts with respect to both the restructuring of the [REDACTED] and the installation of a small stand-alone computer in each area Headquarters. When and if these two proposals become fact, OC can do away with many thousands of manually posted stock cards and use the [REDACTED] printout as the accountable document. At such time the Accountable Property function could easily be shifted back to Headquarters, probably to MSS which would then need to have at least two additional personnel assigned. This compares favorably, however, with the five to seven working wives now doing this overseas. It would be possible, incidently, to utilize part-time employees for this function in Headquarters as well.

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DISCUSSION (C)

1. Steps should be taken to consolidate all reserve stocks and most other stocks including non critical spare parts, in a central location. This approach, while not offering immediate reductions in overseas strength, will do so within a reasonable time. At present, there are staff employees, contract employees, and [REDACTED] engaged in maintenance of what can only be described as a major logistics network. We are not talking about small quantities as the world wide reserve stocks alone are considerable. The exact weight and dimensions of the stocks in question are not available in OC although they now are developing this information. Suffice it to say it will be a lot, most of which would have to be moved and subsequently stored at another location. The potential costs of construction, management and operations were not developed but these should be the subject of ongoing joint efforts by both OC and OL.

2. The impact of consolidating stocks could be tremendous, as much of the functions of storage, maintenance, and shipping would have to follow the stocks. The magnitude of this project cannot be determined until such time as the purging exercise is finished. OC would be able to cut down on overseas presence at the cost of an unknown number of people required to do the job in the U.S. The major advantage, as far as employees are concerned, is the lesser cost of an American working in the U.S. as compared to that same American working in an overseas area. For example, a GS-9 overseas can represent annual, factored costs of as much as \$45,000 plus a \$20,000 salary as opposed to the \$20,000 he costs in the U.S. When one considers the substitution of American labor for [REDACTED] labor, the whole equation changes. In [REDACTED] the most expensive of all the area headquarters, the maximum salary paid to a [REDACTED] is \$18,000 and there is only one who draws this salary; the average is about half that. It follows logically, that even in today's inflation, it is much less expensive to do most of our work overseas as opposed to doing it in the U.S. at greater costs. Even the comparative values of work quality is not out of line as foreign locals do equal work in such areas as repair and maintenance of equipment, storekeeping, packaging, and record keeping. We further determined that the locals in [REDACTED] would welcome computerized records and more importantly, would be capable of handling such tasks. It is necessary, however, to review cost effectiveness against two other factors which may be overriding. These two are security and day to day control. There can be little doubt that the majority of our [REDACTED] are well aware of just whom they work for and this probably is not, of and by itself, critical. It becomes more critical though, if these same [REDACTED] have access to equipments which are either sensitive or classified. We know of no specific instance

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Another group likes the idea of having a number of CCA printers and reperforators on hand. One of these would be sent to a station to replace a non-functioning unit as needed. If the non-functioning unit only needs minor repairs, these would be made. If the repairs are major, the unit would be returned to [REDACTED] for repair by [REDACTED]. Three other groups 25X1A advocate different solutions. Either hire a retired U.S. military person residing locally, have a team of M28 specialists travelling constantly on a scheduled basis, or do all repairs on M28 equipment utilizing [REDACTED].

All five of these approaches have merit, but the idea of using either [REDACTED] or local contractors appeals to the majority of those interviewed. If any of the above were adopted, some technician time could be freed up at least and, in the long run, it is probable that a number of technicians slots could be returned to the U.S. for other duties. In this respect technicians now see anything from 50 to 70 percent of their time tied up in M28 repairs.

5. Within OC there exists no standardized list of those functions for which the area logistics officers are responsible. Not only is such a list not available, but in each of the area headquarters the logistics officer is assigned only a part of those things which could be managed by logistics. More specifically, we refer to housing, motor pool activities, Tech Reqs and maintenance of PRA and funds records. In no area does the logistics officer have responsibility for all four of these functions. This is not to say that we found any really dissatisfied logistics officer, but merely to point out that these people are well trained employees and that they are capable of doing the things involved. It is also apparent that in at least

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25X1A one area, [REDACTED] the logistics officer was probably more satisfied with his job than in the other areas. The reason? He has been given a fine delegation of authority by the Chief, [REDACTED] and [REDACTED] 25X1A included releasing authority for [REDACTED] LOGS cables. This small 25X1A point, i.e., limited cable releasing authority is a wonderful vote of confidence by a super grade officer in the ability of one of his junior officers. It will not be betrayed. This leads logically into the subject of command structure. Three of the area headquarters have the logistics function as an integral part of the Chief Engineer and we recognize that this has been traditional within OC for good and valid reasons. It may be though, that the time has come to take a new look at this organization as well. 25X1A One thing is for sure, and that is that the best command relationship we found existed in [REDACTED] where the logistics officer reports directly to the area chief, and the worst is to be found in [REDACTED] 25X1A where the logistics officer reports to the Chief Engineer, who over controls him. Recently, there was an upheaval in [REDACTED] 25X1A caused primarily by personality conflicts between the Chief Engineer and the Chief Logistics Officer. As the direct result of this breakdown in internal communications between two individuals, the logistics officer retired earlier than planned and the log function was moved under direct control of the area chief. We predict a far more harmonious relationship in the future.

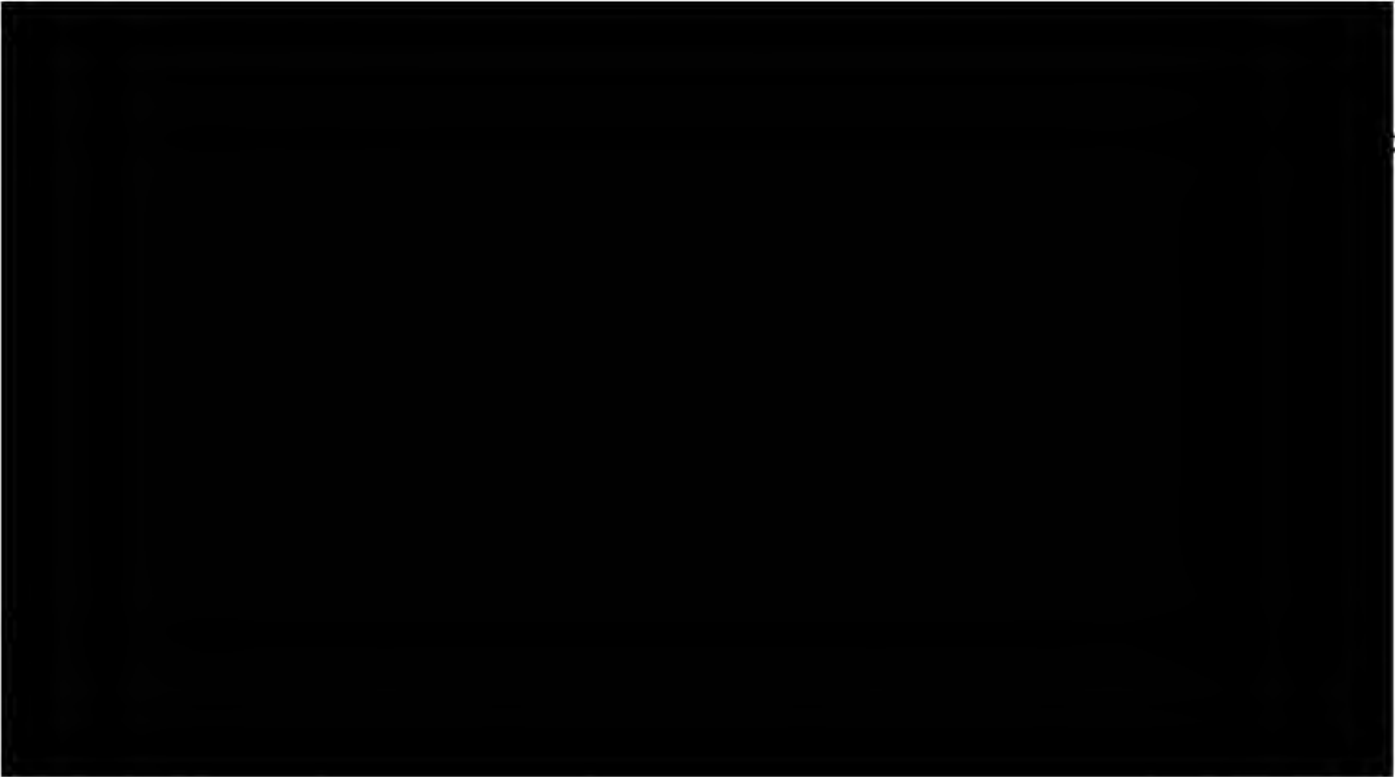
25X1C Finally, all Chief Logistics Officers should be charged with sole responsibility for any liaison with local customs offices, [REDACTED] personnel, local sources of procurement and representatives of key airlines and ocean shipping firms. This has often been turned over to others by abdication, and this is not a good policy.

6. The subject of stock levels merits special attention as this represents a function which, if properly managed, could result in reduced slots overseas.

In general, stock levels for spare parts in each of the area log operations consist primarily of items established by Maintenance Parts Lists (MPL) and Bill of Materials (BOM). These are augmented by whatever general spare parts either are on hand from previous days or are otherwise received into the several inventories. This method of setting stock levels is perfectly logical as long as the levels so established are reviewed frequently with the idea of reductions in items and numbers based solely on issue experiences and planned utilization. This latter review has not really been made to any marked extent in the past few years. Following the recent visits such reviews are again being made, but we noted some pessimism with respect to any meaningful results. This pessimism can be charged primarily to a general

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belief that even though lists of items to be reduced are submitted to headquarters, no definitive approvals or guidance will be given. It is evident that a far more simple disposal program than exists today is badly needed. Other than spare parts the major elements of stock levels involve Repair and Return items and equipments carried as world wide reserve stocks controlled by headquarters. We see absolutely no reason why either or both of these categories of stock now overseas can't be reduced dramatically merely by transferring all reserve stocks and the bulk of R&R stocks to the United States preferably to a central location. This is especially true of the reserve stocks which have had very minor draw downs over the years. We recognize the value of having some log presence overseas and a look at basic economics may be in order.



7. The Material Support Section (MSS) of Field Engineering Branch, Foreign Network Division, is the focal point of any logistics effort carried out by OC. In this paper several recommendations are made which, if implemented, could reduce overseas staff presence by returning functions to the United States. These include stocks, both expendable and non-expendable, establishment of a central computer file to maintain records of property including CMRs and a greater volume of T&I work to be done in headquarters. We also recommend that headquarters establish a followup mechanism to track requisitions and provide the field with printed advice of all requisitions in process more than 90 days. Each of these actions will require additional

personnel in MSS which we believe should be the sole responsible element within OC. Another recommendation requires the development of standard packaging together with a complete listing of weights and cubes for all commo equipments, again a MSS responsibility which will require additional manpower. Even though we discuss elsewhere the possibility of having overseas logistics elements reporting directly to area chiefs, this does not hold true for MSS. Because of the need to capture procurement and other acquisition data at the earliest possible point, it makes very little sense to position MSS anywhere except where it is under FEB/FND.

As an immediate step two part-time employees could be gainfully employed in keeping abreast of the current work load. When functions are returned from overseas MSS should be augmented by assignment of two more staff logistics offices, slots to come from reduction in overseas staffing.

8. Probably the weakest link in the OC logistics function is the packaging and transportation of equipments. Yet, there is no definitive guideline for either of these and in the final analysis they are left, at best, to the good judgement of the logistics officer concerned or in the worse case to that of a

A graphic example of this lack of readily available information occurred during preparation of this study. One of our prime recommendations is to bring all possible equipments and spare parts back to the United States. We found that nowhere in OC is there information with respect to weights and cubes of commo equipments. This information, as well as packaging standards, should be in the hands of any element charged with storage and movement of this type of materiel. The possibility is that should large scale, emergency movement of this sort of item become necessary, it would do so with very little lead time. If we were to go through MAC, the first question asked would be number of pieces, weights, cubes, and a statement of hazardous cargo, if any. Today we just don't have that kind of information readily available to us. We should have it.

CONFIDENTIAL

PERSONNEL OBSERVATIONS
AND THOUGHTS FOR FUTURE CONSIDERATION

One of the objectives of our study was to take a hard look at the Staff Logistical positions in each area with an eye toward possible reduction or transfer of tasks. Included as part of this overall objective was a review of the indigenous work force strength levels, and further to ascertain to what degree technicians were performing Logistical tasks. In the main, we found that the Logistical Officers were fully and gainfully employed with very little slack. We do feel they could take on additional tasking if so required. On the other hand, any reduction to the current staff personnel strength, particularly overseas, would also have to include a major change in functions, and would result in the loss of personal service now afforded to customer requests. An example of this is our suggestion to vastly reduce the African Logistics effort by transferring the bulk of its responsibilities to either [REDACTED]

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In the following paragraphs we have devoted our thoughts to the personnel in each area, along with some recommendations for changes. These changes are for the short term with some thoughts for the long range that would require further detailed study by the Logistics/Communications Team recommended on page 6 of this study. What we are saying is that with the current levels of responsibilities and equipments, it does not equate to major drawbacks in staff personnel at this time. We do believe that at such time as (1) hardware changes occur; (2) inventories are reduced; (3) [REDACTED] is converted to an accountable document and the CMR's are maintained at Headquarters by MSS; (4) personnel learn how to completely rely on the cover organization for support; (5) Bills of Materials are prepackaged to the greatest extent possible and held in a central location in the continental USA; (6) the scope of what functions are to be retained in the areas and the determination as to who will do them; only then can the decision be made to drastically reduce the Logistics careerists support in the field. To completely do away with or reduce the complement too early would severely hamper the effectiveness of the area support now provided but downstream it is possible.

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One thought we have put to rest is the degree to which technicians are performing logistical duties. If it is more than 5 to 10%, we would be surprised. The technicians, as we have related throughout the study, and the individual area studies, assist Logistics in periodic identification problems, BOMS and other technical matters. Only in the area of M-28 spare parts is there any true duplication. We have recommended to each area that this practice be stopped. Individual recommendations and/or thoughts for future consideration are as follows.

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SUMMARY OF RECOMMENDATIONS

1. Centralize to the maximum non-critical spare parts, R&R and Worldwide reserve stocks. (Page 12, 16)
2. Put priority on purging from inventory all items not absolutely planned for future use. (Page 16)
3. Install stand-alone computers in each area headquarters. Set up files of all stock control data as well as accountable records. (Page 10)
4. Establish data links between field computers and headquarters as soon as field files have been placed in computer files. (Page 10)
5. Place each log operation under direct control of the Area Chief. (Page 18, 19)
6. Formalize Delegations of Authority which will give each Chief, Logistics more clearly defined responsibilities. Include responsibility for all housing and housing maintenance, motor pool activity, Tech Reqs and control of both PRA and any funds utilized for logistical support. (Page 19)
7. Consider reorganization of [REDACTED] assigning responsibility for support of East Africa to [REDACTED]. This will allow reduction of both log and tech slots. (Page 17) 25X1A 25X1A
8. Request the Director of Logistics to assign a Civil Engineer to the Field Engineering Branch. (Page 6)
- 25X1A 9. Revise [REDACTED] to include serial numbers. Use this document as an accountable record. (Page 7, 15)
10. In conjunction with the Director of Logistics, establish common standards for packaging of those equipments which would be issued under emergency conditions. (Page 8, 21)
11. Prepare a complete schedule of weights and dimensions for all equipments in the OC inventory. Provide wide dissemination of this document. (Page 21)
- 25X1C 25X1A 12. Ensure that [REDACTED] employees receive direct supervision from a staff or contract employee. The recent reorganization of the logistics section in [REDACTED] is a good example of this. (Page 9, 16, 17)

13. Insist that OL officers receive at least 6 months training in MSS prior to going to an overseas post. (Page 13)

25X1A 14. Assign small numbers of CCA, M28 components to each area headquarters for use in the Repair and Return circuit. Units requiring only simple repairs would be handled by area T&I shops. Units requiring other than minor repairs would be returned to [REDACTED] (Page 11, 18)

15. On a selective basis, make more headquarters shipments directly to stations instead of to area headquarters for transshipment. OC should review present procedure and select those items to be shipped directly. (Page 17)

16. Either assign an OL/RECD HUAC and power distribution technician to each area headquarters or give more training to selected OC technicians. (Page 10)

17. Request the Director of Logistics to identify one or more officers in Procurement Division as focal points for all OC contracts. This will approximate the function now found in the Contracting Teams found elsewhere in the Agency. (Page 6)

18. Establish internal procedures designed to preclude shipment to the field of substitutes for major equipments or key components unless prior approval has been obtained. (Page 14)

19. Provide each area log officer with a monthly status of all requisitions in process after 90 days. (Page 14)

20. Add two part-time employees to MSS now. (Page 21)

21. Augment MSS with two staff positions in the future. These will come from reductions in overseas positions made possible by transfer of functions to CONUS. (Page 21)

22. Establish a team of senior logistics officers, augmented by OC officers, to follow up on those recommendations made above which must be implemented by OL. (Page 6)

UNCLASSIFIED

INTERNAL

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

DC/Central Depot

EXTENSION

4917

NO.

OL 0 1277

DATE

20 Mar 80

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

Chief, Supply Division

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

Walt, Joe -
Attached is a
copy of the Comm
Study along with
our report on the
individual areas.
I have sent the
D/C a copy for his
use.

20 March 1980

MEMORANDUM FOR: Director of Communications
FROM: Logistics Survey Team
SUBJECT: Review of OC Logistics System (U)

1. Attached is a study of the Office of Communications (OC) logistics system as it exists today. This paper is the result of visits to [REDACTED] and Central Depot, as well as discussions with many officers in Headquarters. (C)

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2. We found the OC logistics operation to be quite effective, and, other than for minor suggestions, no critical comments are made. There are problems, however, with respect to Headquarters, internal OC communications and with OC/OL relationships. The necessary recommendations for solutions are presented. (U)

3. There is no doubt that personnel slots overseas can be reduced, although not tomorrow, and certain actions are recommended with this in mind. (U)

4. Additional data are found in the individual reports prepared after our visits to each of the five area headquarters. (U)

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Attachments

Distribution:

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1 - D/L

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